

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6843**

**BILL NUMBER:** SB 306

**NOTE PREPARED:** Jan 1, 2012

**BILL AMENDED:**

**SUBJECT:** City Courts.

**FIRST AUTHOR:** Sen. Landske

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

- A. *Jurisdictional Changes* – It increases the jurisdictional amount for certain city and town courts from \$3,000 to \$6,000.
- B. *Jury Pay Fund* – It specifies that money from the jury pay fund may be used by a city or town court to supplement the cost of jury fees.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Summary*– This bill would result in some indeterminable loss of revenue to the state General Fund.

The state General Fund loses \$15 for each case that is heard in a city and town court rather than in a trial court. One of the factors LSA considered is whether the individual court has a civil docket. If the court has a civil docket (i.e., where the court accepts civil cases), then it is likely that the court will have more civil cases. It appears from the tables that follow that the most significant effect would be in Lake County, where five of the six courts affected reported 280 or more civil filings each year on average between 2008 and 2010. The other city courts which are located in third class cities that are not the county seat have few, if any, civil cases in their courts.

Background and Additional Information-

Provisions – This bill applies to two different groups of city courts:

- Five city courts (instead of four) and one town court in Lake County and
- City courts in third class cities that are not the county seat.

Lake County City Courts – This group includes the city courts that are located in the cities with the five largest populations in Lake County and the court in the town that has the largest population in Lake County.

Analysis – The following shows the city courts and the Merrillville Town Court that would be affected by this bill.

<u>City Court</u>	<u>2010 Population</u>	<b>Three-Year Average ( 2008 Through 2010)</b>		
		<u>Misdemeanors</u>	<u>Infractions and Ordinance Violations</u>	<u>Civil Cases</u>
Crown Point	27,317	654	1,095	492
East Chicago	29,698	1,382	1,263	4
Gary	80,294	3,002	6,806	941
Hammond	80,830	2,947	10,533	6,089
Hobart	29,059	1,771	1,697	283
Merrillville Town	35,246	1,647	5,177	1,489

The second group of city courts are located in third-class cities that are not county seats. Third-class cities have populations of less than 35,000 (IC 36-4-1-1). These city courts are shown in the following table.

City Courts in Third Class Cities that are not the County Seat					
County Name	City Court	2010 City Population	Three-Year Average ( 2008 Through 2010)		
			Misdemeanors	Infractions and Ord Violations	Civil Cases
Allen	New Haven	14,794	-	6,701	-
Clark	Charlestown	7,585	337	676	-
Dearborn	Aurora	3,750	-	1,544	-
Dekalb	Butler	2,684	113	2,520	-
Elkhart	Nappanee	6,648	124	331	-
Fountain	Attica	3,245	145	247	-
Grant	Gas City	5,965	744	4,953	-
Jay	Dunkirk	2,362	36	102	-
Knox	Bicknell	2,915	-	114	-
Madison	Alexandria	5,145	312	392	-
Madison	Elwood	8,614	996	1,854	-
Marion	Beech Grove	14,192	-	1,266	-
Randolph	Union City	3,584	139	347	-
Ripley	Batesville	6,520	2	310	41
Tippecanoe	West Lafayette	29,596	-	1,223	-
Vermillion	Clinton	4,893	74	2,085	-

If the threshold for civil cases is increased from \$3,000 to \$6,000, then more civil cases could be filed in these city courts instead of in the trial courts in these counties. Since only one of these city courts has within the past three years heard any type of civil case, LSA assumes that increasing this threshold would likely have a limited effect on the number of cases that would shift from trial courts to these city courts and the one town court.

Effect on State General Fund – The potential revenue loss to the state for each civil case that is filed in a city court instead of a court of record is \$15. In addition, counties would lose \$7, and municipal general funds would gain \$22 per case.

Fiscal Effect of Transferring Civil Cases from Trial Courts to City and Town Courts				
	State Share	County Share	Municipal Share	Total Fee
Courts of Record	\$70	\$27	\$3	\$100
City and Town Courts	<u>\$55</u>	<u>\$20</u>	<u>\$25</u>	<u>\$100</u>
Effect	(\$15)	(\$7)	\$22	\$0

**Explanation of Local Expenditures:** Effect on Trial Courts – This bill would likely shift more civil cases from trial courts to city courts in Lake County, but would have uncertain effects on 16 other counties in Indiana. Whether these trial courts will need fewer resources because of this shift will depend on whether the decisions made by the judges in these city courts are appealed. When decisions are appealed in trial courts, a transcript is sent to the courts of appeal for review. When decisions that are made in city courts are appealed, the case must be retried altogether in the trial court because the city courts do not keep transcripts of the decisions that are made.

Jury Pay Fund – Money from this fund is used to supplement the costs of jury trials. The language change would allow city and town court clerks to appropriate money from the jury pay fund at the local level to pay for jury trials. The 2010 *Indiana Judicial Report* indicates that there were four jury trials in city and town courts for misdemeanor cases.

**Explanation of Local Revenues:** There would be a gain to local general funds. (See *Explanation of State Revenues*.)

**State Agencies Affected:**

**Local Agencies Affected:** Counties with city courts located in third-class cities that are not county seats.

**Information Sources:** IC 33-19-7, Indiana Supreme Court Website.

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